

Light Manufacturing Training Australia

Productivity Commission

**Post 2005 Textiles, Clothing and
Footwear Assistance Arrangements**

**Submission from Light
Manufacturing Training Australia
The Peak Education and Training
Body Representing the TCF Industry**

March 2003

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1. INTRODUCTION

The context of this submission is education and training with particular reference to “management and workforce skills” as identified in the Scope of Inquiry outlined in the Productivity Commission circular (20 November, 2002 No TCF1)

This submission will outline the role of education and training within government assistance programs to the TCF industry; comment on the effect of that assistance on education and training; indicate how education and training can contribute to Australian economic improvement in general; and describe how government assistance in education and training can contribute to the sustainability of the TCF industry.

Light Manufacturing Training Australia (LMTA) is the business name of the Australian Light Manufacturing Industry Training Advisory Board. LMTA is the peak education and training body representing the TCF industry and is supported in this representation by all the major associations and unions in the industry. LMTA has six directors as set out below:

David Hoare	General Manager, Sealy of Australia
Steve Gunn	Chief Executive Officer, Blundstone Pty Ltd
Chris Lowe	General Manager, LOMAC Flooring
John Karounos	Co-Chief Executive Officer, Geelong Wool Combing
Tony Woolgar	National Secretary, Textiles Clothing and Footwear Union
Dick Lowe	Industrial Officer, CFMEU of Australia

The list of LMTA members, including industry associations and unions, is set out in below:

Australian Association of Leather Industries (Richard Speight)
Australian Cotton Ginners Association (Evan Layt)
Australian Canvas and Synthetic Products Association (Keith Bartlett)
Australian Glass and Glazing Association (Ian Koochew)
Australian Wool Industries Council (Peter Morgan)
Blueline Laundry (Elizabeth Scott)
CFMEU, FFTS Division (Dick Lowe)
Council of Textile & Fashion Industries of Australia (Tony McDonald)

Drizabone Pty Ltd (John Maguire)
Dry Cleaning Institute of Australia (Garry Tanner)
Enoch Taylor & Co Pty Ltd (Alastair Lee)
Footwear Manufacturers Association of Australia Inc (Steve Gunn)
Footwear Repair Association of Vic (Clare Nelson)
Geelong Wool Combing (John Karounos)
Gillie Investments T/A Clifton Furnishings (Sharon Filce)
J McCain Furniture Pty Ltd (Ern McCain)
Lomac Flooring Services Pty Ltd (Chris Lowe)
National Furnishing Industry Association of Australia (David Warder)
Picture Framers Guild of Victoria (Mark Heydon)
Russette Furnishing (Russell Bushby)
Sealy of Australia (David Hoare)
Soft Furnishing Industry Association of Australia (Penny Broun)
The Australian Workers Union (Peter Smoljko)
Textile Clothing Footwear Union of Australia (Tony Woolgar)

2. THE NATIONAL TRAINING FRAMEWORK

The Action Agenda TCF&L Forum Strategic Plan 2012 (pg 12 Strategy 3.5) makes the following statement about a National Framework for Training.

“The delivery of effective training programs is best done at a state level but needs to be within the context of a national framework. Training needs should be translated into targeted packages that are developed and delivered by the industry, with the assistance of state governments and training institutions. Apprenticeship and traineeship programs should be complemented with work-based non-TAFE options for existing employees. (Federal government, then industry associations and state governments).”

The Federal Government in co-operation with State/Territory governments have put in place a National Training Framework (NFE) in education and training in the TCF industry ranges from secondary school education (VET in Schools) through Vocational Education and Training (VET) to Higher Education.

The majority of TCF education and training, however, is focused in VET. The VET sector has undergone a major change over the last fifteen years with the introduction of competency based training and the National Training Framework (NTF). This has initiated the development by the TCF industry of the TCF Training Package which sets out the TCF industry skills within Units of Competency and provides national qualifications from certificate I to Advanced Diploma. The list of these national qualifications is set out in **Attachment 1**.

The importance of the TCF Training Package to the TCF industry cannot be underestimated. At a time of vast industry changes, the Training Package has been the focus of stability and support to enterprises and the industry as a whole. These national qualifications, ranging from Certificate 1 to Advanced

Diploma, have made significant contributions to the productivity and sustainability of businesses across all sectors of the industry. In particular, all have benefited from the introduction of Certificate II and III traineeships with strong financial support from the Commonwealth Government through the New Apprenticeships Scheme.

No less significant has been the interaction and cooperation within the industry between employers and unions in the process of introducing the National Training Framework and developing the TCF Training Package. The NTF processes also called upon the vast range of education and training providers to participate with industry and unions in implementing at State/Territory and national levels a new education and training environment.

LMTA has acted as the meeting point of this interaction and cooperation and the TCF Training Package is a significant tangible outcome. The Training Package was prepared over seven years 1993-1999 and endorsed in February, 2000. After eighteen months of implementation, it is now under Review (a requirement of the Australian National Training Authority) and once again employers, employees and training providers will get together across Australia to review and enhance the Package.

This Review presents the industry and governments (national, state and territories) with a unique opportunity to analyse the role that education and training has played in assisting the TCF industry to adjust into activities where it is internationally competitive and how it will help the industry to contribute to the overall improved performance of the Australian economy.

The most significant aspect of the TCF Training Package is that it contains, and describes in detail, the management and workforce skills of the TCF industry. The 371 Units of Competency embody the skills necessary to lead the industry into strong international competitiveness. The TCF Review will look closely at emerging needs and prepare Units of Competency to reflect the management and workforce skills to match these changes in business operations and systems.

3. GOVERNMENT ASSISTANCE PROGRAMS IN EDUCATION AND TRAINING

This description government assistance is divided into two sections:

- a) prior to May 2002
- b) post May 2002

May 2002 is an important dividing point because of the changes made to TCF education and training to government assistance in the Federal Budget.

The Federal Government in 2002 withdrew the National Framework for Excellence program of \$10 million.

Withdrawn also in the same budget was the \$10 million grant to States and Territories for the maintenance of Industry Training Boards (ITABs). This withdrawal of funds from the ITABs had the effect of closing down the TCF ITABs in some states and reducing the scope of work in other states.

The withdrawal of both programs seriously effected the role of the national Network of industry Training Advisory Boards whose role it was to provide regionally based support services to TCF companies especially in the work of implementing the National Training Framework through the TCF Training Package.

3.1 Government Assistance prior to May 2002

Since the beginning of the process of establishing the National Training Framework (1989) the TCF industry benefited, along with all other industries, from a range of education and training programs.

One of the most significant of these programs was the ¹workplace/workbased English Language and Literacy Program (WELL) which has provided \$12 million per year since its inception in 1992. All industries have benefited from this program. However in 1993, TCF was identified as a “priority” industry because of its workforce profile. LMTA (specifically its precursor organisation TCF ITAB) received a total of \$1.3 million over six years (1993-1998) to conduct a national WELL project.

This highly effective project provided great assistance to over 3500 companies across every state and territory. LMTA has provided DETYA with a number of reports including a final education report in 1999 (See **Attachment 2**). The TCF national WELL project ceased in 1998. The national WELL Program continues to be funded through DETYR.

The second major special education and training government support program was provided by the Department of Industry Science and Resources (DISR now DITR) called the National Program for Excellence in Education and Training (NFE). This \$10 million program began in 1995. The first phase (1995-2000) undertook a range of projects in consultation with industry, unions, providers and the National network of Industry training Advisory Boards.

LMT received a grant (\$960,000) to complete all sectors of the Training Package and to provide support materials for its implementation. As well as completing all sectors of the TCF Training Package, a number of significant education and training products were produced under this grant:

- Training and assessment Toolkits for all TCF sectors (AQF levels 1-3).

¹ **Workplace** means education and training at the workplace in a special room away from the production processes; **Workbased** means education and training as part of the production processes including product production, quality etc.

- An Outworkers Delivery Program to assist the large workforce who operated as outworkers in the clothing sector.
- Self paced Learner Guides for the Hide Skin and Leather industry.
- Professional Development manuals for workplace/workbased trainers and assessors.

All these products have been widely used in implementing the National Training Framework in TCF and will continue to be used in the future.

DITR began a second NFE program (\$10 million) in 2001.

However, before any substantial second round NFE projects were funded, the government withdrew the funding in May, 2002.

As well as the LMTA grant, the first round of the NFE Program included a range of other projects. This submission cannot comment of the usefulness or otherwise of these projects. However, the NFE Program provided a great opportunity for the various education and training organisations to develop co-operative support services on behalf of individual companies and the range of sector based industry Associations.

One significant outcome of these co-operative support services is the Light Manufacturing Training Strategy 2003-6 prepared through LMTA in conjunction with its members and the Network of State and Territory Industry Training Advisory Boards (ITABs). See **Attachment 3**.

This Training Strategy is currently been updated into a National Light Manufacturing VET Training Plan, which will be available in draft form in March 2003. See **Attachment 4**.

At the same time the TCF industry is engaging in detailed assessment of the TCF Training Package through the TCF Training Package Review Project and the three scooping projects funded through the second round ITR NFE Program See **Attachment 5**.

Both the National Light Manufacturing Training Plan and the Review Phase I Report will provide an excellent platform for the future role of education and training in the TCF industry.

3.2 Government Assistance after May 2002

There is no special TCF government assistance programs for education and training in place at the current time.

In addition, TCF has lost its “preferred status” position across the range of government departments at both the state and national level. In allocating funds, most government departments (state and federal) use a system of “preferred

status” usually based on such criteria as “skill shortages” or “special workforce needs” such as English language acquisition due to the high migrant population in its workforce or emerging needs due to new technology.

Education and training projects cannot be funded under the DITR SIP program.

The only major TCF education and training project in place is the TCF Training Package Review Project funded through the Australian National training Authority (ANTA).

This government funding is not special to TCF. All industries are funded through ANTA to review their Training Packages. TCF companies, in competition with all other industries, have access to government assistance programs in education and training such as the WELL Program and Reframing the Future.

4. EFFECTIVENESS OF CURRENT EDUCATION AND TRAINING ASSISTANCE PROGRAMS

As indicated above the main source of additional special government assistance for TCF in education and training has come from the Department of Industry and Tourism. This assistance has been over and above the funding provided through the Australian National Training Authority (ANTA) which has been directed towards setting up and maintaining the National Training Framework (NTF). The establishment phase of the NTF has been completed with the production of the TCF Training Package. The maintenance phase involves the current Review of the Package and will continue for the foreseeable future.

One special grant from ANTA to LMTA enabled LMTA to develop, trial and establish the Resource Generator, a specific website designed to help the industry to implement workplace/workbased education and training. This TCF based innovation has been expanded to include all other industries.

As indicated in the previous section, special DITR funding for education and training has ceased effectively closing down any special training and education assistance to the industry.

TCF, like all other industries, receives education and training funding in the VET system through the states and territories. As this funding is based on supply and demand, TCF companies require urgent assistance to access their share of these funds.

The effectiveness of the special DITR and ANTA funding has been sometimes reported as problematical. However, the specific funds managed by LMTA have been extremely effective. Products produced include the following:

- The TCF Training Package (additional sectors).
- The Resource Generator.

- Training and assessment toolkits for all sectors.
- The Outworkers Delivery system.
- Self Paced Learner Manuals for Leather.
- Special professional development manuals for workplace/workbased trainers.

These products are used extensively throughout the industry and form an important contribution to the reliability and productivity of the full range of TCF enterprises.

A significant factor in the effectiveness of these products has been the involvement of industry in the design and production stages of their development. LMTA has highly developed processes to ensure effective industry involvement and would continue to do so in any future government special assistance programs.

Even more effective has been the co-operation developed on a national basis between the various stakeholders within the industry. The role of LMTA in co-operation with its members has been vital in establishing and enhancing this co-operative education and training support service environment.

5. THE ROLE OF EDUCATION AND TRAINING IN THE VIABILITY OF THE TCF INDUSTRY

The Productivity Commission circular (20 Nov. 2002 No TCF1) has outlined in 'scope of industry and current performance' (pp 5-6), the coverage of the industry; the industry profile in terms of workforce, turnover and exports; and the budget support in terms of the SIP program, (\$678 million).

The large contraction of the industry (turnover down 16 per cent, employment down 37 per cent) is balanced by the large increase in turnover per employee of 48 per cent.

The circular goes on to identify factors in the emergence of successful firms with strong brands and technologies, "The factors driving this success have included strategic approaches to marketing and investment; managerial skills; innovation; and supply chain integration" (page 6).

LMTA wishes to add three additional factors to this list:

- significant upskilling of the workforce at operator and technician levels;
- the growth of work-based education and training;
- the growth of networks of companies initiating education and training systems (eg OHS, Quality, E-commerce) within their businesses.

LMTA has been involved in these three factors at the enterprise level and within both the TCF sub sector and regional levels.

Government assistance through special project funding, particularly at the State/Territories level, has assisted this involvement with industry. However, the withdrawal of the DITR second round NFE program has reduced the potential for the network of ITABs to be involved in this vital work.

LMTA is an industry based and directed organisation and has produced a detailed industry strategy for education and training (See **Attachment 3**). As part of this strategy, LMTA, in consortium with the network of State/Territory ITABs, produced a proposal under the second round NFE Program (see **Attachment 6**). This DITR submission was an important expression of this strategy which emphasised enterprise based support at the regional level across Australia.

Growth in operator level skills, work based training and company based education and training systems are vital to the growth and international success of the industry.

As indicated above, LMTA is engaged in a detailed analysis of the status quo of education and training in the various TCF sectors. The Light Manufacturing Industry VET Training Plan (see **Attachment 4**) gives strong direction to the education and training requirements of the TCF industry especially relevant workplace issues such “labour mobility in and out of the sector” and “impediments within management and workplace skills to long term viability of the industry”.

6. TCF ENTERPRISES – THEIR STRENGTHS AND BARRIERS

Within education and training the TCF industry has two significant barriers:

- the industry through its numerous sectors is spread thinly across the whole of Australia thus causing significant problems in the delivery of training and assessment. In most regions and in most sectors the TCF market is ‘thin’ which means that providers find it difficult to conduct profitable training;
- the majority of TCF enterprises are small (30 employees or less) or micro (10 employees or less), again making it very difficult for providers of training to establish a viable ‘class’ and thus make a profit.

One important outcome of these barriers is the part withdrawal from the industry of some institutional based providers. In response the industry has turned to workplace/workbased training to support its needs. However, companies need a period of support to establish, trial and develop this workplace/workbased system of training. LMTA believes that a period of government assistance is required to assist companies understand and

implement workplace/workbased training. The submission to DITR for the second NFE program was designed to provide this support. (See **Attachment 6**).

It is important to note though that providers who have remained with the industry provide an excellent basis for education and training at all levels of enterprise workforces.

These barriers are balanced by a number of opportunities in TCF education and training.

- The transfer of the majority of Australia's clothing and footwear manufacture to overseas locations has caused a growth in new Australian companies focussing on overseas training in production management and the logistics of product transfer.
- Overseas education and training departments have shown a strong interest in the Australian Training Framework, the TCF Training Package and TCF Support Materials.
- The introduction of competency based training has paved the way for training to occur in the workplace, making it more flexible in delivery and more relevant to individual company needs.
- The TCF Training Package has introduced a range of new qualifications thus helping to expand the managerial and workforce skill base.
- The New Apprenticeship system has introduced wider opportunities for formal training especially at the Certificate II and III levels.

The introduction of new national qualifications through the National Training Framework provides new education and training opportunities for TCF businesses.

The TCF Industry has its own strengths.

- There are significant companies in all sectors who conduct their businesses as training enterprises using continuous improvement training systems to maintain efficiencies and profitability. (See **Attachment 7** for a list of these companies.)
- The various TCF sectors are supported by strong industry associations who make education and training a significant part of their business support structures. (See **Attachment 8**)
- TCF is supported by some of the best providers in Australia both government (TAFE) and private. (See **Attachment 9** for a list of these providers.)

- TCF retail companies have taken a more direct role in the production stage of the supply chain and have brought a high level of expertise to the education and training environment both in Australia and in the production sites in overseas countries such as Fiji, Indonesia, China and Thailand. This shows that the whole TCF supply chain from the farm gate, through early stage processes, production retail to after care services is now far more integrated and dependent.
- The TCF Training Package has completed two years of successful implementation in all sectors.

7. POLICY OPTIONS IN EDUCATION AND TRAINING

It is generally agreed both within TCF and the broader community that the reduction of tariffs in the industry has resulted in a rapid and permanent ‘meltdown’ of some sectors of the TCF industry.

Evidence of this meltdown is expressed in the 16 per cent contraction in business turnover and the 37 per cent decline in employment.

More specific evidence is provided by looking at some of the TCF sectors such as Footwear Production where the number of significant businesses has been reduced to less than ten. Most Footwear Production and Clothing Production activities are now conducted overseas.

At the same time it is the expectation of government and the community in general that the TCF industry must conduct businesses which are internationally competitive with reduced government assistance.

TCF businesses are also expected by the government to assist in the improvement of the overall performance of the Australian economy. Some implications of these requirements could mean:

- a) moving away from small to micro businesses to larger multi purpose enterprises whose critical mass, corporate structures, purchasing power, ability to attract finance and multi skilled workforce would allow them to be more viable and sustainable on an international market.
- b) redesigning their businesses to become more broadly based across the supply chain
- c) change their businesses to concentrate on niche markets in Australia or overseas.

All of these (and more) changes are taking place. However, none of these changes can be done without a significant element of education and training especially of the current management and operator workforce.

The three government assistance programs (tariffs, SIP and the Expanded Assembly Overseas Provisions Scheme) do not directly contribute to education and training within TCF businesses. In fact, the criteria for each program

carefully excludes funding education and training initiatives for direct funding. LMTA believes that this policy should be reviewed especially through the current SIP Program.

Set out below are policy options which the Productivity Commission may wish to consider under the current government assistance programs.

7.1 Tariffs

As indicated above tariffs do not directly effect education and training. However, the flow on effects are significant either in the direction of ceasing operations (redundancy training for re-employment) or training for new skills for changed business operations, systems or activities along the supply chain.

These competency based changes have been and will continue to be translated into the TCF Training Package so that the qualifications and the units of competency reflect the skills that these companies need to be viable and sustainable in the international climate in which they need to operate. Special assistance is urgently required to assist companies to translate these units of competency into effective business systems.

The current tariff policy in relation to education and training is based on no restrictions on education and training products and expertise. This means that there currently exists a free trade market.

TCF companies can access overseas education and training products and expertise to enhance their enterprise viability and sustainability. Similarly the TCF Training Package can be used by overseas governments to enhance their training of their manufacturing workforces. This open exchange is mostly benefiting the production of clothes and shoes for the Australian market in such countries as Fiji, China and Thailand.

In this open market the main education and training policies for consideration in this submission are concerned with the implementation of the National Training Framework. Currently there are no special assistance programs for the TCF industry. LMTA believes that this policy needs to be changed.

The National Training Framework is relatively new. The TCF industry, in a climate of dramatic change (partly resulting from reduced tariffs), needs support to educate and train its workforce to adjust into business activities where it will be internationally competitive. Key TCF people and organisations have developed the TCF Training Package as the central plank of the National Training Framework. However, the vast majority of the enterprises and their people (managers and operators) have yet to fully benefit from this new national system.

The productivity commission circular (No TCF1) indicates that the tariff reductions occurring in 2005 are:

from 25 percent to 17.5 percent for clothing and finished textiles;

from 15 percent to 10 percent for cotton sheeting and fabrics, carpets and footwear;
from 10 percent to 5 percent for sleeping bags, table linen and footwear parts

The circular also says:

The effective role of assistance for the TCF sector declined from 85.5 percent in 1989/90 to 25.6 percent in 1999/2000 in 1999/2000. The effective rate for manufacturing as a whole declined from 16.3 percent to 5 percent over the same period.

In this climate the government needs to initiate a policy change by reinstating TCF's preferred status in education and training. This can be done in four possible ways:

- Reinstating the NFE program for education and training and expanding the criteria to include all TCF businesses across the supply chain and covered by the TCF Training Package. (Note: Attachment 4 of the circular No. TCF01 says that:

“TCF manufacturing covers all stages of production of textile, clothing and footwear and leather products from processing of raw materials such as cotton, wool leather and synthetics to the production of final goods. Linkages extend up stream to the supply of natural fibres and downstream including design, pattern making, retailing and major consumers such as furniture manufacture, engineering and health”

- Including education and training as a special category in the SIP program.
- Value adding to the TCF Review processes so that in depth investigations development can take place across all sectors of the TCF Training Package. Currently ITR has funded three scoping projects which cover research into careers promotion, training take up and AQF 4 – 6 support materials. These projects will produce proposals requesting funding for further work based on the scoping reports. These proposals should be funded to ensure the reviewed Training Package can be fully implemented.
- Revisiting the proposal submitted by Light Manufacturing Training Australia under the second round NFE program on behalf of the Network of Industry Training Advisory Boards in all state and territories. This proposal highlighted the need within the TCF industry for a support service to help companies link training to their business plans so that they can become viable and sustainable as international enterprises.

7.2 SIP Program

This program will be completed by the end of 2005. The circular from the Productivity question is asking the question, ‘Where does industry want to go after 2005?’ LMTA believes that after 2005 the industry will enquire an

extensive education and training program to ensure that the benefits and initiatives of the various SIP projects are supported and built on.

LMTA also believes that in the period 2003 to 2005 industry the government should initiate a major education and training program to ensure that all the SIP funded projects not only help the businesses funded but also extend the benefits to all businesses in the industry. Any education and training support program should start now and then extend into the period 2005 – 2010.

The issue of SIP guidelines excluding education and training funding must be raised and solved because all the SIP projects must of their nature either include education and training or provoke the requirement for education and training.

In 7.1 above four initiatives are suggested bring about a government policy change within education and training so that TCF businesses can integrate education and training into their businesses in order to maintain and improve their viability and sustainability.

TCF businesses operate within an international business environment and will only compete successfully if education and training is central to their business operations and systems.

The suggested initiatives above strongly recommend that education and training be established as a special category in the SIP program. This can be done in two fairly direct and manageable ways.

- fund successful applicants of the SIP program to develop a company based training plan as part of their business plan.
- fund key companies along the supply chain to develop as models for the development of education and training plans for both managerial and workforce staff with special reference to enterprise systems both internal and external.

7.3 Expanded Assembly Overseas Provisions Scheme

This program is almost finished and contains limited funds. The assistance provided is highly specialised and there would be very few if any companies who would qualify under the guidelines. TCF companies conduct their businesses on the basis of overseas assembly systems and most have moved away and beyond this way of operating.

However, it is strongly recommended that any residual funds remaining in this fund be carefully redirected to researching the relationship between Australian based companies and their overseas production operations so that the specialised skills can be properly identified and built with the TCF Training Package across all sectors of the supply chain.

8. RELEVANT WORKPLACE EDUCATION AND TRAINING ISSUES

The Productivity Commission Inquiry, in assessing the long term viability and opportunities for the TCF industry, aims to examine “relevant workplace issues” including more effective use of flexible modes of the sector (especially in regional Australia) and the scope for innovative reform including policy options to improve the competitiveness of the sector (pg 6 circular No. TCF1).

The Productivity Commissions circular identifies the following pressures for changes on TCF businesses:

- impart competition
- technological change
- shifts in house fold expenditure

The circular also says TCF companies have responded by changing their businesses as follows:

- vertical integration of production operations
- contracting out lower value added activities
- developing higher value products
- developing more sophisticated operations
- increasing export activity
- increasing capital equipment investment
- increasing investment in technology
- investing in innovative design
- increasing the emphasis on services such as:
 - design
 - logistics
 - brand management
 - establishing new materials

To achieve these changes, the Productivity Commission circular points to the following factors:

- strategic approaches to marketing
- upgrading managerial and workplace skills
- strategic approaches to investment
- innovation across the full range of enterprise operations and systems
- supply chain integration

All these enterprise changes have already been started within the TCF industry in a climate of reducing tariffs.

This submission concentrates on two factors which TCF businesses have used to achieve these radical changes:

- upgrading managerial and operation skills
- innovation across the full range of enterprise operations and systems

8.1 Upgrading Skills

The TCF industry has set up new national qualifications covering the full range of industry sectors and introduced two new qualifications at diploma and advanced diploma levels. At the same time the Package reflects industry's concern with upgrading managerial skills by providing Units of Competency in a range of qualification frameworks and career pathways for supervisors at AQF levels three and four.

TCF businesses across all sectors have embraced workplace/workbased education and training which is central to the National Training Framework and the philosophy of competency based training. This has led to a large increase in all sectors of New Apprenticeships especially at AQF levels 2 and 3. TCF sectors previously without formal national qualifications such as Textile Fabrication have benefited greatly from the introduction of the National Training Framework.

Workplace/ workbased training, however, is new and requires upskilling of supervisors and other managerial staff to provide the company infrastructure and systems to make it work. The demand on companies is to multi skill their workforces to match their changed business environment and workplace/workbased training is a significant way of achieving this goal.

The key people in the industry anticipated this upskilling and multi skilling by incorporating in the Training Package Units of Competency and qualification rules which help industry personnel to implement workplace/workbased Education and Training. However, the industry is changing rapidly. The system needs to catch up especially in relation to emerging skill needs and redefining previous skills and systems.

8.2 Innovation

Within education and training, TCF businesses have had in some instances innovation thrust upon them. Some of these innovations have been built into the National Training Framework such as competency based training and workplace/workbased training. However most enterprise based education and training requirements have been the result of businesses responding to changes across the total range of the supply chain or to the introduction of new technology.

These education and training requirements resulting from business innovations have mostly occurred across the enterprise systems of product production, OH&S, quality, workplace communication. Companies who have successfully responded to outside pressures such as import competition, shifts in technological change or reductions in tariffs have made their business systems education and training systems. These companies have changed their business

structures and in doing so have integrated education and training into their business plans thus upgrading and multi skilling their workforces.

The most successful of these changed businesses are essentially education and training companies.

This submission argues strongly that TCF companies need to embrace this innovation and the government should consider an education and training support program is put in place to ensure that TCF workplaces carry out innovative reform to improve the competitiveness and sustainability of their businesses.

9. RECOMMENDATIONS

- 9.1 That the Light Manufacturing Strategic Plan 2003-06 and the Light Manufacturing National VET Training Plan 2003 (draft) be used by the Productivity Commission as the basic source documents for decision making on education and training policy and directions for the TCF industry.
- 9.2 That government consider providing LMTA with special assistance funding to maintain the regionally based education and training support service environment set up during the development of the National Training Framework with particular reference to the Network of State/Territory Industry Training Boards.
- 9.3 That the Productivity Commission add to its success factors for emerging TCF enterprises the following three issues:
 - significant upskilling and multi-skilling of the current workforce at operator and technician levels through the implementation of the National Training Framework
 - the growth workplace/workbased and workplace education and training
 - the growth of networks of companies supported by industry associations initiating education and training systems within their overall business plans.
- 9.4 The government (through DITR) reconsider the proposal submitted by the consortium of National and State/Territory Industry Training Advisory Boards in order to provide enterprises with a regionally based support service for education and training.
- 9.5 That the government (through DITR) consider providing a specific professional development program for workplace/workbased trainers and assessments recognising the fact that these critical education and training personnel are not funded as part of the normal teacher based professional development programs.

- 9.6 That the government (through DITR) value add to the current TCF Training Package Review Project by providing funding to conduct significant research into the effects of the introduction of the National Training Framework on enterprise workplace/workbased delivery and resources.
- 9.7 That the government change the policy in relation to special assistance funding for TCF enterprises to include the full range of enterprises across as outlined in the circular (No TCF1)

“TCF manufacturing covers all stages of production of textile, clothing and footwear and leather products from processing of raw materials such as cotton, wool, leather and synthetics to the production of final goods with linkages upstream to the supply of natural fibres and downstream to service areas such as design, pattern making, retailing and major consumers such as furniture manufacture engineering and health”.

As a minimum, the policy should cover the sectors set out in the TCF Training Package.

- 9.8 That the government support the ‘preferred status’ of TCF companies in other government education and training programs such as the Training the Future and the WELL Program.
- 9.9 That consideration be given to reinstating the NFE Program and expanding the criteria to include all TCF businesses across the supply chain and within the coverage of the TCF Training Package.
- 9.10 That a special category for education and training be initiated within the SIP Program (2003-2005).
- 9.11 That a special education and training project be set up within the *Expanded Assembly Overseas Provision Scheme* to research the relationship between Australian companies and their overseas production operations so the managerial and operator skills can be identified and built into the TCF Training Package.
- 9.12 That a special education and training project be established to research the relationship between enterprise based innovations across the total range of the TCF supply chain (eg. new technology) and their education and training requirements.
- 9.13 That any special assistance program initiated and SIP (2003-2005) be continued beyond 2005 so that grantees and others can establish sustainable education and training systems as part of their business operations.
- 9.14 That funding be provided to conduct the projects developed through the TCF Review Project, in particular the scoping projects on *TCF Career*

Promotion, TCF Training Take Up Support Services and the TCF IV-VI Resources Development Project.

10. APPENDICES

1. TCF National Qualifications
2. National WELL Project Report
3. National Light Manufacturing Training Strategy (2003-06)
4. National Light Manufacturing VET Training Plan (2003-2006)
5. TCF Training Package Review Project
6. NFE Program proposal from the Network of National / State/ Territory ITABs.
7. Key TCF Companies who conduct their businesses as training enterprises
8. Key industry associations
9. Key TCF Providers